GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:4773
ANSWERED ON:24.08.2000
REVIEW OF POWER SECTOR
NEDURUMALLI JANARDHANA REDDY

Will the Minister of POWER be pleased to state:

(a) whether the Government have made a thorough review of the power sector to identify the areas where investment is required;

(b) if so, the details thereof;

(c) whether the interest of power investors in private sector have been considered; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (d): The policy announced in 1991 to encourage greater private sector participation in the power sector has been reviewed from time to time with a view to streamlining the procedures for speedy development of the power projects and also for ensuring a reasonable tariff for the power to be purchased from these projects. Interests of the private investors have also been kept in mind while reviewing the policy and the rate of return on investments made, incentives for efficient operation of the power plant, etc., have been prescribed under the policy.

The Perspective Plan Studies conducted by the Central Electricity Authority (CEA), asbrought out in the publication of CEA entitled `Power On Demand by 2012`,indicate that the total required installed capacity by the year 2012 in the country would be around 2,40,000 MW. The present installed capacity at the end of June, 2000, is around 98,500 MW. Thus an additional installed capacity of around 1,41,500 MW would be required by the year 2012. This would involve an investment of around Rs.6,36,750 crores (@ Rs.4.5 crores per MW). Corresponding investment in the areas of transmission and distribution would also be required.